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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

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Report of the Advisory Committee on Administrative and Budgetary Questions

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I. Introduction

1. During its meetings held from 4 February to 28 March 2003, the Advisory Committee on Administrative and Budgetary Questions considered the financial performance reports for the period from 1 July 2001 to 30 June 2002 and the proposed budgets for the period from 1 July 2003 to 30 June 2004 of the peacekeeping operations listed below. The Committee's reports concerning the specific peacekeeping operations are presented as addenda to the present report:

(a) United Nations Observer Mission in Georgia (UNOMIG) (A/57/772/Add.1);

(b) United Nations Mission for the Referendum in Western Sahara (MINURSO) (A/57/772/Add.2);

(c) United Nations Mission in Sierra Leone (UNAMSIL) (A/57/772/Add.3);

(d) United Nations Peacekeeping Force in Cyprus (UNFICYP) (A/57/772/Add.4);

(e) United Nations Interim Administration Mission in Kosovo (UNMIK) (A/57/772/Add.5);

(f) United Nations Interim Force in Lebanon (UNIFIL) (A/57/772/Add.6);

(g) United Nations Disengagement Observer Force (UNDOF) (A/57/772/Add.7);

(h) United Nations Mission in Ethiopia and Eritrea (UNMEE) (A/57/772/Add.8);

(i) United Nations Logistics Base at Brindisi, Italy and strategic deployment stocks (A/57/772/Add.9);

(j) United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) (A/57/772/Add.10);[1]

(k) United Nations Transitional Administration in East Timor (UNTAET) and United Nations Mission of Support in East Timor (UNMISET) (A/57/772/Add.11).

2. The Advisory Committee considered the overview report of the Secretary-General on the financing of the United Nations peacekeeping operations, covering performance for the period from 1 July 2001 to 30 June 2002 and budget for the period from 1 July 2003 to 30 June 2004 (A/57/723). That report is being submitted for the first time and contains some of the material previously included in the annexes to the general report of the Committee on peacekeeping operations. Accordingly, the annexes which used to contain that information have not been included in the present general report. Further comments of the Committee on the Secretary-General's overview report are set out in paragraph 42 below.

3. The Committee also considered the reports of the Secretary-General on the following:

[1] Includes the Committee's observations on the Secretary-General's progress report on the status of the airfield services contract (A/57/756).

(a) Financial performance for the period from 1 July 2001 to 30 June 2002 of the United Nations Mission in Bosnia and Herzegovina (UNMIBH), including the liaison offices in Belgrade and Zagreb and the United Nations Mission of Observers in Prevlaka (UNMOP) (A/57/684); the related report of the Committee is contained in document A/57/773;

(b) Financial performance for the period from 1 July 2001 to 30 June 2002 (A/57/725) and proposed budget for the period from 1 July 2003 to 30 June 2004 of the support account for peacekeeping operations (A/57/732).

4. The comments, observations and recommendations of the Committee in the paragraphs below also take into account its consideration of the reports of the Secretary-General on the following:

(a) Death and disability benefits (A/C.5/56/41 and A/C.5/57/37) (see paras. 137 and 138 below);

(b) Write-off of contingent-owned equipment at liquidated missions (A/C.5/56/43) (see paras. 60-76 below);

(c) Processing of claims for equipment contributed and self-sustainment undertaken at peacekeeping missions (A/C.5/56/44) (see paras. 60-76 below);

(d) Reform of the procedure for determining reimbursement to Member States for contingent-owned equipment (A/56/939) (see paras. 60-76 below);

(e) Practical aspects of wet-lease, dry-lease and self-sustainment arrangements (A/57/397) (see paras. 60-76 below);

(f) Experience with resident investigators in peacekeeping operations (A/57/494) (see paras. 86-95 below);

(g) Feasibility of consolidating the accounts of the various peacekeeping operations (A/57/746) (see paras. 20-28 below).

5. The proposals of the Secretary-General on financial updates, financial performance reports and disposition of assets with regard to a number of closed or closing missions were not finalized in time for the Committee to consider them at its winter meetings in 2003. The Committee is taking up those reports early in May 2003.

6. The Committee had a preliminary discussion on the United Nations Iraq-Kuwait Observation Mission (UNIKOM). Owing to the circumstances prevailing in the region, the Committee will not issue a report on UNIKOM at the present time. It will revert to the matter when the situation has been clarified. The representatives of the Secretary-General informed the Committee that they would provide an update in May 2003. It is the intention of the Committee, before the end of May 2003, to issue its report on the Secretary-General's performance report for UNIKOM together with recommendations on how to deal with requirements for the period after 1 July 2003.

II. Report of the Board of Auditors

7. The Advisory Committee has considered, in accordance with financial regulation 12.11, the report of the Board of Auditors to the General Assembly on the accounts of the United Nations peacekeeping operations for the financial period

ended 30 June 2002 (A/57/5, vol. II, chap. II)[2]. The audit coverage also included two missions funded from the regular budget, one "political affairs mission" and the United Nations Logistics Base. Annex I to the report contains the list of audited missions. **The Committee commends the Board for the quality of its report and its streamlined format.**

8. The Committee also had before it a report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the period ending 30 June 2002 (A/57/416/Add.2). During its consideration of these matters, the Committee met with the members of the Audit Operations Committee of the Board of Auditors. In paragraphs 9 to 18 below, the Committee comments on a number of general issues relating to the reports of the Board. The observations and recommendations of the Committee on specific questions raised by the Board are set out where relevant in the paragraphs of section III below which cover the reports of the Secretary-General on peacekeeping operations.

9. The Committee notes that, in a number of instances, the Board of Auditors expanded upon matters previously raised by the Committee in its reports on peacekeeping operations. The Board indicates in its report (A/57/5, vol. II, chap. II, para. 9) that it has reviewed the action taken by the Administration to implement its recommendations for the period ended 30 June 2000 and confirms that, in general, there are no significant outstanding matters. Details of the action taken by the Administration on the recommendations of the Board for the period ended 30 June 2001 and the comments of the Board are contained in annex II to the report of the Board.

10. The Committee exchanged views with the members of the Audit Operations Committee on how best to report on follow-up action to implement previous recommendations of the Board of Auditors. In its previous report (A/56/887, para. 11), the Committee recommended that in reporting on follow-up action the Board should focus on changes and results achieved in eliminating the shortcomings it had identified, rather than merely stating whether a particular recommendation of the Board had been implemented. The Committee had also requested (A/56/436, para. 12) that the Board concentrate, in its reports on the implementation of its recommendations, on indicating the extent to which such recommendations had been implemented and on their impact. The Committee further commented that the attainment of this manner of reporting would be facilitated considerably by the extent to which the recommendations of the Board were clear, specific and capable of being monitored in the implementation process with a view to measuring results (A/56/887, para. 11).

11. **The Committee is of the opinion that, to achieve this end, the information in annex II to the report of the Board of Auditors should be incorporated into the main body of the report in conjunction with the relevant subjects covered in the audit. If the subject is not covered in the current reports, the Board can always make reference to the implementation of its recommendations in the introduction to its reports. Incorporation of information on follow-up into the main body of the report would obviate the need for annex II, which could be replaced by a short summary table at the beginning of the report. The table**

[2] See *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 5* and corrigendum (A/57/5 and Corr.5).

would, in caption form, list the recommendations of the Board with an indication of the paragraphs in the body of the report where information on follow-up action is provided. The Committee exchanged views with the Audit Operations Committee on how this could be accomplished, bearing in mind that the Board has the authority to decide on the content and format of its audit reports; the proposals of the Committee are intended to facilitate, further streamline, and make the report of the Board more user-friendly.

12. In view of the wide scope of the Board's mandate under financial regulation 12.5, including its role with regard to the administration and management of the Organization, the Committee is of the opinion that, in future audit reports, the Board should continue and place greater emphasis on efforts to determine whether the resources of the audited administrations are being used efficiently and effectively.

13. The Committee exchanged views with the members of the Audit Operations Committee on the workload of the auditors and was informed that for the period from July 2000 to June 2002 approximately 2,000 auditor-weeks were used, and that the Board issued 205 management letters, 28 audit reports and 3 special reports. For 2003, 150 audit missions were planned and the Board expects to increase the audit manpower and the number of management letters by over 10 per cent, despite limited resources, to ensure adequate coverage for the period from July 2002 to June 2004. In this connection the Committee recalls its intention to examine, in the context of its consideration of the proposed programme budget for the biennium 2004-2005, the adequacy of the audit fee, as it affects the scope of coverage and the quality of the audits (A/57/439, para. 13).

14. The Committee was informed that approximately 60 per cent of the audit activity of the Board of Auditors would be carried out in the field offices and peacekeeping missions. **The Committee is of the opinion that the field work of the Board would be considerably facilitated if the Secretariat and the Office of Internal Oversight Services were to ensure that the internal audit function and the resident audit capacity in peacekeeping missions were operating effectively and efficiently. The Committee was informed that the resident audit capacity in peacekeeping operations performed more work on management issues and less on the financial audit. The Committee does not consider this to be a drawback since the financial audit by the Board could be enhanced by an effective management audit by internal auditors.**

15. The Committee welcomes the close coordination and collaboration among the three members of the Board and their audit teams in implementing audit plans and joint audit activities. The Committee trusts that such coordination and collaboration will continue to optimize the use of audit resources.

Financial issues

16. The report of the Board of Auditors deals with financial issues (A/57/5, vol. II, chap. II, paras. 13-46). **The Committee welcomes the fact that the cash position of the active missions has improved and hence the ability of the United Nations peacekeeping operations to meet their obligations has improved significantly as compared with previous financial periods (ibid., para. 14).**

Peacekeeping Reserve Fund

17. With regard to the Peacekeeping Reserve Fund (paras. 18-21 of the Board's report), the Committee notes that as at 30 June 2002 the level of the Fund was $47.4 million higher than the approved level of $150.0 million, because of accrued interest income.

Inactive trust funds

18. Under the question of inactive trust funds (see paras. 25-28 of the Board's report), it is reported that the two major trust funds, the Trust Fund to Support the Multinational Force Deployed in East Timor and the Trust Fund in Support of United Nations Peacemaking and Peacekeeping Activities, had balances of $77.4 million and $40.7 million, respectively, as at 30 June 2002. No further expenditures are expected from those funds under their current mandates. As indicated in the Board's report (para. 27), the Administration intends to appoint a staff member to pursue, on a full-time basis, the closure of inactive trust funds. **The Committee expects that this staff member will be financed from income generated by programme support costs charged to trust funds. The Committee also requests that the Administration establish effective interaction with donor Member States for the disposition of inactive trust fund assets. In this regard the General Assembly may wish to request the Member States concerned to respond promptly to the Secretariat on this matter. The Secretary-General is requested to complete the task of closing inactive trust funds within a reasonable time.**

III. Reports of the Secretary-General on the financing of peacekeeping operations

19. In examining the reports of the Secretary-General, the Advisory Committee has paid particular attention to issues of budget preparation, budget implementation, monitoring and control. In the context of the present presentation, the Committee has also paid attention to adequate explanation of budget performance changes and proposed budget estimates. The comments of the Committee on general issues applicable to most peacekeeping operations can be found, where relevant, in the discussion on individual objects of expenditure and management issues in the paragraphs below. As indicated in paragraph 8 above, the Committee has also taken into account the Board's findings and recommendations on these matters.

Feasibility of consolidating accounts of the various peacekeeping operations

20. The report of the Secretary-General on the feasibility of consolidating the accounts of the various peacekeeping operations (A/57/746) was submitted pursuant to paragraph 10 of General Assembly resolution 56/293.

21. While pointing out that the consolidation of the accounts of various peacekeeping operations is not compatible with the current financial practice (A/57/746, para. 4), the report contains an analysis of a range of issues that would need to be taken into account before any consolidation could be implemented.

22. The consolidation of the accounts of peacekeeping operations would entail the following:

(a) A single resolution of the General Assembly on the financing of peacekeeping operations, including the support account for peacekeeping operations and the United Nations Logistics Base at Brindisi, each operation constituting a section, as is the case for the regular budget;

(b) Assessments would be de-linked from the continuation of Security Council mandates and there would be only one peacekeeping assessment on Member States at the beginning of the fiscal period covering all peacekeeping operations.

23. As indicated in the report of the Secretary-General, the options before the General Assembly, briefly stated, are as follows:

(a) To consolidate all accounts retroactively;

(b) To consolidate all accounts prospectively;

(c) To consolidate the accounts of active peacekeeping operations only, and to do so prospectively.

24. The Committee points out that any of those actions would require revision of the Financial Regulations and Rules of the United Nations. In addition:

(a) If all accounts were consolidated retroactively, the General Assembly would have to consider the impact of the consolidation on the application of Article 19 of the Charter of the United Nations in this context, as well as in the case of Member States specified in decision 49/470 of 23 December 1994;

(b) If the accounts of active peacekeeping missions only were consolidated, prospectively, the General Assembly would need to consider transitional measures to provide the missions with sufficient cash to cover their operating expenses from the date of consolidation until the receipt of new assessment; it would also be necessary to prioritize the settlement of liabilities, since cash resources might not be available to meet liabilities related to the periods prior to consolidation.

25. The Committee notes the phased approach outlined in the Secretary-General's report (A/57/746, paras. 13-20) whereby, as a first step, the accounts of the active peacekeeping missions could be consolidated retroactively, separate accounts being maintained for closed missions. According to the Secretary-General, this approach would ensure that, going forward, Member States and the peacekeeping operations would benefit from more efficient and flexible procedures for the financing of peacekeeping operations while avoiding issues pertaining to closed missions.

26. According to the Secretary-General, this approach would streamline the budget approval process for the United Nations and reduce the number of legislative decisions required as well as the number of assessments; it would also facilitate planning for Member States. The Committee was informed, upon enquiry, that the most beneficial impact of the streamlined budgetary processes would be on the workload of the Contributions Service of the Department of Management.

27. **As acknowledged by the Secretary-General, the approach outlined in his report is not compatible with current financial procedures required under the Financial Regulations and Rules of the United Nations (see para. 21 above). In particular, the Committee points out that the de-linking of assessments from Security Council action on individual mandates (see para. 22 (b) above) may create complications for some Member States which, in accordance with their**

domestic legal requirements, require such Security Council action before they can pay assessments.

28. **In view of the policy considerations involved it would be for the General Assembly to provide further guidance in this matter.**

Financial performance for 2001/02

29. A summary of the financial performance of peacekeeping missions for the period ending 30 June 2002 is given in the Secretary-General's overview report (A/57/723, table 3). Expenditures amounted to $2,548.5 million against appropriations of $2,773.3 million gross, leaving an unencumbered balance of $224.8 million, or 8.1 per cent of the appropriations. The figures include expenditure of $9 million against a provision of $9 million for the United Nations Logistics Base at Brindisi and an expenditure of $84.3 million against a provision of $89.7 million for the support account for peacekeeping operations. For the preceding period, from 1 July 2000 to 30 June 2001, expenditures amounted to $2,307.9 million against an appropriation of $2,566 million, resulting in an unencumbered balance of $258.1 million, or 10.1 per cent of the appropriation (see A/56/887, para. 12).

30. In the various reports of the Secretary-General and the related reports of the Advisory Committee, reasons have been given for the unencumbered balances. For the period 2001/02, as in the previous period, the high level of unencumbered balances reflects significant implementation difficulties. **The Committee has taken these unencumbered balances into account when making its recommendations on budget requirements for the period 2003/04.**

31. Total unliquidated obligations for the period from 1 July 2001 to 30 June 2002 as at 31 December 2002 amounted to $309.1 million, comprising $212.2 million under Governments and $96.9 million under other. As at 28 February 2003 unliquidated obligations amounted to $221 million. Information provided to the Committee on savings or cancellation of prior period obligations for the period ended 30 June 2002 indicates a total of $81.7 million.

32. **The Committee has noted in a number of missions that large amounts of resources are regularly retained to meet obligations to vendors, staff and others. Such retentions do not appear to have been determined after a vigorous verification exercise. The Committee considers that the large amounts of unliquidated obligations, as well as savings regularly realized on prior period obligations, indicate a laxity in obligating funds and illustrate weaknesses in budget implementation and monitoring. The Committee requests that efforts be made to address these problems.**

Flexibility

33. The Committee recalls its comments about the flexibility granted the Secretary-General in administering appropriations for peacekeeping operations and the intention of the Committee to monitor the use of that flexibility (see A/54/841, para. 16, and A/56/887, paras. 18 and 19).

34. The Committee again noted numerous budget variances (savings or overexpenditures), particularly for items in operational activities, with only a generic explanation given in the documents or in the additional information

provided to the Committee. For example in 2001/02, under facilities and infrastructure, the stated overexpenditure of approximately $4.3 million in MONUC is in fact the net result of overexpenditures of approximately $12 million, partially offset by underexpenditures; in UNMIK, a net underexpenditure of $912,300 under facilities and infrastructure includes several large cost overruns. Little or no explanation is given for these significant variances.

35. **The Committee recommends that in the future overruns or savings be fully explained in the additional information given to it, with specific information on the circumstances which led to the savings or overruns in a particular object of expenditure.**

Delegation of financial authority

36. The Committee was informed that the Controller now allots the full mission budgets to the chief administrative officers, broken into three categories, namely, military, civilian and operational expenditures. Transfer of funds between the categories requires the prior approval of the Controller. The Committee was also informed that a new electronic funds monitoring tool had been developed to aid the chief administrative officers and Headquarters to closely track expenditure. However, the Committee was informed that the system had only recently been deployed in all the missions. **The Committee trusts that, when the delegation of authority in budget implementation to the chief administrative officers has been effected and monitoring tools are in place at Headquarters and in the field, questions raised by the Committee concerning the analysis of budget implementation will be answered promptly.**

Results-based budgeting, objective-setting and presentation

37. The Committee exchanged views with representatives of the Secretary-General, both from Headquarters and the field, regarding the results-based budgeting format used in the preparation of the proposed budgets for 2003/04 and the performance reports for 2001/02 of the peacekeeping missions, in accordance with General Assembly resolution 55/220 C. In its consideration of the matter, the Committee also had before the comments of the Board of Auditors (A/57/5, vol. II, chap. II, paras. 70-80), and the overview report of the Secretary-General (A/57/723). In addition, the Committee recalls its own comments on the format and presentation of the proposed budget for the support account for peacekeeping operations for 2002/03, which was submitted using the results-based budgeting format (A/56/941, paras. 7-15).

38. The format for the proposed budgets for the period from 1 July 2003 to 30 June 2004 comprises five sections: mandate and planned results, resource requirements, analysis of variances, actions to be taken by the General Assembly and summary of follow-up actions to implement the recommendations of the Advisory Committee, the Board of Auditors and the Office of Internal Oversight Services. The section on mandate and planned results, in most cases,[3] includes four components — political, military, civilian police and support — linking the overall objective, taken from the relevant Security Council resolution, to planned results.

[3] No political component has been included in the cases of UNDOF, UNIFIL and UNIKOM.

Each component contains a set of expected accomplishments, indicators of achievement for expected accomplishments and planned outputs.

39. The performance reports for the period from 1 July 2001 to 30 June 2002 follow a similar format; however, as noted in the overview report of the Secretary-General (A/57/723, para. 5), the budgets for the period did not include standard frameworks for objective-setting, which would have provided a baseline against which performance could be measured and reported. Therefore a transitional format, showing actual accomplishments and outputs against generic indicators and output types, is utilized.

40. **The Committee welcomes the initial efforts made to streamline the presentation. The Committee also commends the Secretariat for the timeliness with which it submitted the reports and the supplementary information to the Committee. The Committee makes suggestions for further improvements in the paragraphs below.**

41. The Committee notes, as indicated in the report of the Board of Auditors (A/57/5, vol. II, chap. II, para. 76) that senior management and key personnel of missions have taken a leading role in setting objectives and compiling proposed budgets. The Committee had stressed the importance of this (A/56/887, para. 26). **The results-based budgeting exercise still appears to the Committee to be primarily Headquarters-driven, however. While the system remains relatively new, systematic training and coaching should be continued and more focused to ensure a coherent and comprehensive understanding and commitment to results-based budgeting in all the missions.**

42. The Committee welcomes the provision, as part of the new format, of an overview report of the Secretary-General (A/57/723), which follows up on some of the issues raised by the Committee in its general reports. **In the view of the Committee, the report should in the future be more comprehensive and should include such cross-cutting issues as air operations, procurement and inventory management, so as to address the numerous problems identified in the reports of the Board of Auditors, the Committee and others. The subjects covered in the overview could change from year to year, depending on the currency of such topics.**

43. **The Committee recommends that, in future, for each mission, the Secretariat should combine the performance report on the most recently completed period and the proposed budget in a single document. The Committee has further streamlined its current reports on peacekeeping financing by combining comments on performance with comments and recommendations on the proposed estimates.**

44. The intention of the Secretary-General, as stated to the Committee in the presentation made by his representatives, is that the new budget format will improve decision-making and permit the General Assembly to focus on policy issues rather than details. **That being the case, the Committee requests that the Secretary-General clearly indicate those policy issues which require the attention of the General Assembly.**

45. **The Committee notes that, in the effort to streamline the document, the introductory paragraphs, which in previous reports had provided a brief background and overview, and reference to the mandate implementation plan,**

if applicable, have been eliminated. It is the opinion of the Committee that those paragraphs were useful, aiding the reader in navigating the text that followed. The Committee requests that in future reports such introductory information be reinstated.

46. With regard to mandates and objective-setting, the Committee notes that, in the presentation of budgets for the period 2003/04, rather than dealing with the narrower question of setting management objectives, the approach has been broadened, the mandates of the Security Council forming the basis for the objectives. The Security Council establishes peacekeeping mandates and, on the basis of proposals of the Secretary-General in his budget documents, the General Assembly authorizes resources to implement those mandates. **Accordingly, any attempt to define mandate objectives in budget documents must be in strict compliance with the mandates established by the Security Council.**

47. **In the opinion of the Committee, with the exception of the support component, the number of expected accomplishments, indicators of achievement and planned outputs in the proposed budgets, in general, is high and should be reduced in order to facilitate monitoring and reporting (see paras. 49-51 below).**

48. The Committee recalls its earlier observations (A/56/887, paras. 25 and 26). **Bearing in mind that each mission is different, it is the opinion of the Committee, that the attempt to a have a uniform framework for all missions comprising three or four components (political,[3] military, civilian police and support) has led to anomalies in some missions where activities for internally displaced persons, public information programmes, mine clearance, human rights programmes and quick-impact projects have all been grouped together under the political component. In the view of the Committee, it might be appropriate for some missions, depending on their mandate, to have additional components. The Committee requests that, in the next submission, the Secretary-General explain the rationale for the components that have been used to prepare the budgets. Furthermore, the mandate implementation plan should constitute the framework for budget preparation and performance reporting. The contents of the introductory paragraphs in section I, which deal with mandate performance in the performance report and with mandate and planned results in the proposed budget, should be drafted so as to establish a clear link between the results-based framework and the existing mandate plan (see also para. 46 above).**

49. **The Committee emphasizes the importance of drafting the expected accomplishments, indicators of achievement and planned outputs under each of the components in such a way as to ensure that they are, in fact, relevant and realistic.** For example, it is not reasonable to expect that the United Nations can ensure compliance with an agreement between parties, which has been set as an expected accomplishment under the military component for a number of missions. A more credible expectation would be for the United Nations to monitor and encourage compliance and to alert the international community to non-compliance. The Committee recalls that in its report of 9 May 2002 on the support account for peacekeeping operations it stressed that budget presentation should be realistic, and define objectives and expected accomplishments, which must be attainable in the context of the services required of the peacekeeping operation concerned (A/56/941,

para. 11). The Committee finds the use of the past tense to describe planned outputs perplexing.

50. **The Committee is of the opinion that the support component, which deals with operational costs, should include plans to increase efficiency and productivity by improving support services. It is not very useful for the purposes of budget review and follow-up to be informed, for example, that vehicles will be maintained. Given the expected accomplishment of "increased efficiency and effectiveness in supporting the mission", which was chosen in all of the proposed budgets, the Committee would have expected to be informed about proposed measures to improve the use, management and control of vehicles in the mission and whether there are replacement plans, the implementation of which the Committee could follow up on during the next review of the performance report or budget estimates.**

51. **The Committee shares the concerns of the Board of Auditors (see A/57/5, vol. II, chap. II, para. 78) that not all missions have established well-developed tools to measure, monitor and evaluate actual performance against the objectives set out in the proposed results-based programme budgets.** Upon enquiry, the Committee was informed that the Department of Peacekeeping Operations was in the process of designing a questionnaire to capture and collect data regarding the experience of missions in the implementation of results-based budgeting. A workshop was to be held in July 2003, and the expectation was that a summary of the responses to the questionnaire would be made available to the missions at that time. The Committee observes that, given the current budget cycle for peacekeeping operations, which begins on 1 July, the timing of the workshop and the provision of a summary of feedback data at that time could present problems and lead to the submission of yet another set of transitional performance reports.

52. The resource requirements in section II of the budget proposals follow three broad classifications, namely: military and police personnel, civilian personnel, and operational costs. The requests for resources have not been linked to outputs and accomplishments, however. As the Committee has stated in the past with regard to results-based budgeting for the regular budget, such a linkage is an essential element of the results-based budgeting concept.[4] The Committee also recalls its statement that "attempts should be made to link objectives with resources and to demonstrate how resources provided for administration, management, security and other areas contributed to achieving the administrative and managerial objectives of the missions" (A/56/887/Add.1, para. 26). **The Committee expects marked improvement in this regard in the next round of budget submissions.**

53. **The Committee requests that future financial resource tables include subtotals for each of the three classifications mentioned in the previous paragraph.**

54. **The Committee found the supplementary information initially provided to it to be seriously lacking in many respects. Although the Committee eventually received most of the information it requested, it is pursuing the matter with the Secretariat so as to ensure that it is provided with the level of information foreseen in the streamlined approach.**

[4] See *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 7* (A/56/7), para. 12.

55. **In order to avoid duplication of reporting, the information on follow-up actions taken to implement recommendations of the Advisory Committee, the Board of Auditors and the Office of Internal Oversight Services contained in section V of the proposed budgets should be incorporated into the narratives of the main document. A summary table should precede the budget, either as part of the introduction or immediately following it, to replace the one now found at the end of the document. It would differ from the table currently provided in that it would not reproduce the texts of recommendations; rather, it would refer to those recommendations in caption form and indicate the relevant paragraphs in the body of the report where action taken to implement the recommendations is discussed.**

56. **The Committee points out that, in the budget submissions for 2003/04, information on standard and mission-specific costs is missing. The Committee did not receive the Standard Cost Manual. The Committee was informed that, since the Manual had not been revised regularly to take into account past experience, its value had diminished. The Committee was further informed that in some missions, such as UNMIK, the estimates were prepared on the basis of average costs for the mission as the information in the Manual was no longer applicable and would have led to overestimates; in other missions, however, the Committee was informed that the use of standard costs would have led to insufficient funds being budgeted for the period 2003/04. The Secretariat informed the Committee that the Manual was being revised and updated to improve its usefulness.**

Budget proposals for 2003/04

57. As shown in the Secretary-General's overview report (A/57/723, table 7), the total estimated budgetary requirements for the period 2003/04, as proposed by the Secretary-General in the reports for each peacekeeping operation submitted to the Committee, amount to $2,181.8 million, as compared with appropriations of $2,606.5 million for the period 2002/03 or 16.3 per cent lower than the amount appropriated in the prior period. The figures include the provision of $23.3 million for 2003/04 for the United Nations Logistics Base at Brindisi, as compared with $14.3 million for 2002/03 and the provision of $115.9 million for 2003/04 for the support account, as compared with $100.9 million for 2002/03. A breakdown of the proposed budgets for 2003/04 by peacekeeping operation and major category of expenditure is shown in the note by the Secretary-General (A/C.5/57/34/Rev.1, annex).

Military and police personnel

58. The Committee notes that the estimates for military and police personnel for the period 2003/04 amount to $892.6 million (see A/C.5/57/34/Rev.1, annex). The Committee notes that there has been a redistribution of the costs for military and police personnel between objects in the current presentation as compared with previous budgets. This redistribution has made it difficult to compare trends in objects of expenditure.

59. The Committee noted that UNMIBH was able to obtain civilian police more readily than hitherto and that the actual vacancy rate was lower than that used in the budget estimates. The Committee was informed that there had been greater support

from police-contributing countries; agreement had also been obtained to train police personnel before deploying them to the mission area, thus reducing previous instances of police being disqualified upon arrival for mission duty. **The Committee recommends that the lessons learned from this experience should be disseminated to other missions with a similar police component in their mandates.**

Management of contingent-owned equipment arrangements

60. The observations and recommendations of the Committee set out below, on matters relating to contingent-owned equipment and memoranda of understanding with troop-contributing countries, take into account the observations of the Board of Auditors (A/57/5, vol. II, chap. II, paras. 47-67). The Committee also considered the reports of the Secretary-General on the write-off of contingent-owned equipment at liquidated missions (A/C.5/56/43), the processing of claims for equipment contributed and self-sustainment undertaken at peacekeeping missions (A/C.5/56/44), the reform of the procedure for determining reimbursement to Member States for contingent-owned equipment (A/56/939) and the practical aspects of wet-lease, dry-lease and self-sustainment arrangements (A/57/397). The reports were prepared pursuant to requests in General Assembly resolutions 56/241, 55/238, 55/271 and 55/274, respectively. **The Committee requests that in the future the issues relating to contingent-owned equipment and memoranda of understanding be dealt with in the overview report.**

61. The Committee notes that contingent-owned equipment issues have once again been reviewed by the Board of Auditors, in all aspects as it had previously recommended. The new arrangements have simplified considerably the method for determining amounts to be reimbursed and the procedure for processing claims. The Committee however reiterates its view (see A/56/887, para. 34) that there are serious flaws in the management of the new arrangements. In its current report the Board continues to highlight persistent intractable problems in the conduct of inspections and the transmittal and processing of verification reports in compliance with the requirements of the Contingent-owned Equipment Manual (A/57/5, vol. II, chap. II, paras. 58-61; see also paras. 70-72 below). Although pre-deployment inspection is not mandatory, it is an important proactive verification control mechanism whose value cannot be underestimated. As indicated in the Board's report (para. 55), there is however no consistency in pre-deployment inspection.

62. Regarding staff and expertise capacity, the Board and the Committee have strongly urged the Secretariat to take action to ensure that the United Nations has the capacity in the field to manage the contingent-owned equipment system (see A/56/5, vol. II, chap. II, para. 79;[5] A/57/5, vol. II, chap. II, paras. 64-65; and A/56/887, para. 36). As indicated in the Board's current report (para. 66), the Department of Peacekeeping Operations is still seized of the matter. **Bearing in mind the importance of the subject, farther progress needs to be made by the Administration on this matter.**

63. **In view of the Board's findings, the Committee stresses the importance of further review by the Board of such issues as memoranda of understanding,**

[5] See *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 5.*

pre-deployment inspections, arrival inspections, and verification reports and personnel resources.

64. With regard to memoranda of understanding, the Committee notes that, as at 30 April 2002, a total of 214 had been signed, of which only 8, or 4 per cent, had been signed before deployment (A/56/939, para. 14). In its report (paras. 51 and 52), the Board of Auditors indicated that, as at 31 August 2002, a total of 230 (93 per cent) out of 246 memoranda of understanding had been signed and 222 (96.5 per cent) of the 230 had been signed after the deployment of contingent-owned equipment and troops, and that on the average the memoranda were signed three months after deployment.

65. The Committee is aware that considerable administrative expenditures can arise from delays in the approval and signing of memoranda of understanding and status-of-forces agreements. The Committee has indicated that these are essential instruments for defining the rights and obligations of the missions in the operational area (A/56/887, para. 28). These instruments provide inter alia the legal framework that governs the relationships between the United Nations and troop-contributing countries in the provision of equipment, service and personnel. **The Committee notes that from the very inception these important instruments have been fraught with problems and delays, however. The Committee remains concerned that the United Nations is often forced to start mission operations without these instruments in place.**

66. **The Committee recognizes the need to streamline the process involved in the negotiation and approval of memoranda of understanding. In the view of the Committee, there are just too many steps in the handling of the memoranda (24 steps are shown in A/56/939, annex I). These should be reduced, with a view to signing the memoranda before deployment. The Secretariat should analyse the experience and make suggestions for possible changes for the next meeting of the Working Group on Reimbursement of Contingent-owned Equipment in February 2004.**

67. The reports of the Secretary-General on the reform of the procedure for determining reimbursement to Member States for contingent-owned equipment (A/56/939) and on the practical aspects of wet-lease, dry-lease and self-sustainment arrangements (A/57/397) address the need for streamlining the contingent-owned equipment procedures.

68. The Committee notes that, since the implementation of the new methodology for contingent-owned equipment, 298 contingent units have been deployed in 23 peacekeeping operations, of which almost all have been negotiated under the wet-lease arrangements (see A/57/397, summary). Under the wet-lease arrangements, the cost of major equipment is based on the standard rates, while the estimated cost of self-sustainment is determined by the standard rate multiplied by the troop strength deployed. In cases where troop-contributing countries are requested to deploy under dry-lease arrangements (fewer than 5 per cent), the Secretariat has negotiated with other troop-contributing countries to provide the maintenance.

69. In the report (A/57/397, para. 12), it is indicated that in many cases the equipment negotiated in memoranda of understanding with troop-contributing countries is not the same as what is actually deployed. The issues relating to changes in both quantity and type of major equipment are dealt with in that report (paras. 12-

16) and actions taken with regard to pre-deployment inspections are discussed in both reports (A/56/939, paras. 15 and 16, and A/57/397, paras. 26 and 27). **In this regard, the Committee recognizes the importance of pre-deployment inspections, which not only improve the content of the memoranda of understanding and reduce the possibility of variances in equipment and self-sustainment but also improve claims processing.** The Committee was informed that the pre-deployment inspections would become mandatory. The Committee notes that, in particular, a troop-contributing country participating in a peacekeeping operation for the first time under the contingent-owned equipment methodology and/or deploying a particular type of unit for the first time would be required to receive a visit from a pre-deployment team.

70. The reports deal with the matter of shortfalls in self-sustainment (A/56/939, paras. 23-25, and A/57/397, paras. 17-25) and address the issue of the capacity of troop-contributing countries to meet the requirements of contingent-owned equipment (A/56/939, paras. 17 and 18, and A/57/397, paras. 28 and 29). Two reports prepared by mission personnel in the mission area are considered critical in this regard. The first, the arrival and inspection report, permits the review of the actual quantity, quality and type of equipment deployed to the mission area against the signed or draft memorandum of understanding or, where applicable and if the latter is not available, against the pre-deployment inspection report; the second, the verification and/or operating readiness report, provides the mechanism by which the Secretariat ascertains the effectiveness of a troop contributor in meeting the operational requirements of a mission and satisfying the terms of the memorandum of understanding.

71. **The Committee welcomes the suggestions (see A/56/939, paras. 17 and 18, and A/57/397, paras. 28 and 29) on streamlining the production and processing of verification reports, including steps taken to implement electronic submission of reports. The Committee trusts that a reduction in the frequency of reporting requirements will not affect the completion and quality of the reports and consequent certification and payment of reimbursement for contingent-owned equipment claims.**

72. **The Committee recommends that the Secretariat set out the experience gained so far and make suggestions for any modification to the current reporting cycle to the Working Group on Reimbursement of Contingent-owned Equipment at its forthcoming meetings, scheduled for February 2004 (see A/57/397, paras. 11 and 25). If it is considered that monthly reporting is too laborious and potentially inefficient, alternative reporting cycles should be suggested subject to the necessity of ensuring that the services contracted for in the memoranda of understanding are provided to the United Nations in a timely manner and that prompt processing of claims and reimbursement to troop-contributing countries is not in any way compromised (see para. 76 below).**

73. The Committee notes that, taking into account the life cycle of claims processing and in view of the concerns raised by Member States with regard to timeliness of reimbursement for contingent-owned equipment, steps have been taken to streamline the process (A/56/939, paras. 27 and 28). The Committee notes that, for example, standard operating procedures have been drafted in the areas of claims policy, procedures and processing (A/57/397, para. 37). The Committee trusts that

these measures will contribute to improving the timeliness of certification of claims. With regard to the progress report on the processing of claims for equipment contributed and self-sustainment undertaken at peacekeeping operations (A/C.5/56/44), upon enquiry, the Committee was informed that the plan to process all claims for major equipment and self-sustainment with a turnaround period of three months from the date of receipt would be implemented in June 2003. **The Committee looks forward to the implementation of this plan. In addition, all efforts should continue to be made for early reimbursement of troop costs and amounts held under accounts payable, subject to availability of funds.**

74. The report on the write-off of contingent-owned equipment at liquidated missions (A/C.5/56/43) indicates progress achieved on the issue of finalizing the certification of write-off claims from some liquidated peacekeeping operations. Efforts were targeted at completing the processing by the end of 2002 (ibid., para. 9). The Committee notes that, whether the write-off case is a reimbursement or a recovery, the concurrence of the troop-contributing country is required prior to certification of the write-off amount (ibid., para. 6 (c)). As shown in annex I to the report, as at April 2002 the amount awaiting concurrence from troop-contributing countries was $16.4 million and the amount certified or in accounts payable was $7.3 million. The Committee was provided with updated information in the context of the presentation of the peacekeeping-related budgets for the period 2003/04. At 28 February 2003, amounts awaiting concurrence from troop contributors amounted to $6 million and amounts under certification or in accounts payable to $6.4 million.

75. The Committee notes that the complex, labour-intensive, time-consuming and costly process involved, described in the report (A/C.5/56/43, paras. 1-6) is mostly related to the old system for processing contingent-owned equipment and that this should disappear with the implementation of the new related procedures. **The Committee believes that those countries not yet in the new contingent-owned equipment arrangement should be encouraged to enter into it (see A/C.5/56/44, para. 5). The Committee understands that, if this were done, the write-off phenomenon would cease.**

76. **The Committee notes that most of the issues relating to the practical aspects of the contingent-owned equipment methodology would be recommended for inclusion in the agenda of the next session of the Working Group on Reimbursement of Contingent-owned Equipment, in February 2004. The Committee is of the opinion that, in view of the policy and management issues involved, the Secretariat should prepare a comprehensive paper, including appropriate input data, to facilitate and focus the work of the Working Group. The Committee further recommends that, on the basis of recommendations of the Working Group, the Secretariat prepare a comprehensive report on the issues that would require legislative action by the General Assembly.**

Civilian personnel matters

77. It is proposed to establish seven posts for deputy military commanders for the following missions: UNOMIG, UNMISET, UNIKOM, UNFICYP, UNIFIL, UNDOF and MINURSO (A/57/723, para. 19). **Notwithstanding the fact that similar posts currently exist in MONUC, UNAMSIL and UNMIK, the Committee was not**

convinced by the explanations put before it and does not, at this stage, recommend approval of these requests.

78. **With regard to the findings and observations of the Board of Auditors on human resources management (A/57/5, vol. II, chap. II, paras. 172-187), the Committee points out that, despite many statements of intention to improve recruitment and placement in the Department of Peacekeeping Operations and peacekeeping field missions, delays and deficiencies continue to plague recruitment and placement activities. The Committee recalls that the Office of Internal Oversight Services indicated (see A/57/224) that the average recruitment time frame for filling regular vacancies in the Department was 362 days and the recruitment time for filling new vacancies that were authorized on an emergency basis by the General Assembly in its resolution 55/238 was 264 days. The Committee points out that these figures should be compared with the targeted time frame of a maximum period of 120 days for filling vacancies indicated in the Secretary-General's report on human resources management reform. The Committee has commented further on the unacceptable continuing problem of delays in the recruitment of personnel in the Department of Peacekeeping Operations in its report on the budget for the support account for the period 2003/04 (see A/57/776, para. 28).**

79. The Committee was informed that, when the new staff selection system (Galaxy) is implemented, the targeted time frame for filling vacancies in peacekeeping operations will be reduced. The target is the reduction from 180 to 95 days in the time from the posting of the vacancy announcement to the recruitment and entry on duty of the selected candidate (A/57/723, para. 21). **In this regard, the Committee recommends that the General Assembly consider establishing a procedure whereby any post that becomes vacant or any new post that is approved and is not filled within 12 months after it becomes vacant or is approved shall be deemed to have lapsed.**

80. The Committee notes that the new designation "national staff" now includes both national professional officers and local staff (now referred to as general service national staff). **The Committee encourages greater use of national staff wherever feasible and cost-effective.** The Committee noted the practice of reassigning national staff from one mission to another. For example, in UNIFIL, 47 national staff were temporarily assigned to other missions. Upon request, the Committee was provided with details concerning the skills of those staff members. **The Committee does not object to this practice since it can, on a temporary basis, provide urgently needed skills at short notice, particularly in the start-up phase of new missions. It cautions, however, that this does not obviate the need for missions to recruit such staff on their own to replace borrowed staff as quickly as possible. The Committee will revert to this matter in the context of its examination of the report of the Secretary-General on the future of Field Service officers. The Committee recalls that it requested the Secretary-General to expedite the completion of the review of the Field Service category and to submit his comprehensive proposals in this regard to the General Assembly at its fifty-eighth session, as recommended by the Joint Inspection Unit (A/57/434, para. 4). The Committee intends to follow up on this matter in the context of its consideration of peacekeeping budgets in February 2004.**

81. The Committee notes that considerable underexpenditure for the period 2001/02 in the civilian personnel component of some missions resulted from recruitment of international staff at grades lower than those approved in the authorized staffing table of the missions (e.g., UNMIK). Upon enquiry, the Committee was informed that the staff members recruited at lower levels were performing to the satisfaction of the mission officials. **The Committee is of the view that when posts are consistently filled at lower levels in missions with limited duration, the level of the higher graded posts should be reviewed and reclassified accordingly.**

82. The Committee intends to follow up on the findings and recommendations of the Board of Auditors on assignment of staff and grading of posts in UNTSO and UNMOGIP (see A/57/5, vol. II, chap. II, paras. 178-187) in the context of its review of the proposed programme budget for the biennium 2004-2005. The Committee points out that the Board's recommendation (ibid., para. 183) should be read in conjunction with the Committee's recommendation (A/56/887, para. 42) that consideration should also be accorded to reviewing existing posts in order to consider their abolition, redeployment or downward reclassification.

83. Upon request for clarification concerning delegation of authority for recruitment, the Committee was informed that delegation of authority to initiate recruitment of substantive staff had been granted, on a pilot project basis, to two missions with a high volume of staff, namely, UNMISET and UNMIK. Pending review of the results of the pilot project, limited delegation of recruitment up to certain levels of staff would be considered on a mission-by-mission basis.

84. On the basis of its observation of visits to missions, the Committee has concluded that, even when posts are provided to missions, recruitment delays and departures lead to understaffing of mission units. **In general, the Committee is of the opinion that missions should have greater authority in the hiring and management of staff. Missions need to plan and manage more carefully the departure of staff, particularly heads of services, including the preparation of handing-over notes. It is poor management to allow staff in critical services to leave missions before ascertaining whether they can be replaced promptly. There should be more collaboration among missions and between the missions and Headquarters on this important issue, as well as on the important issue of staff mobility between Headquarters and missions.**

85. With respect to post reductions in missions being downsized, the Committee noted that the description of staff changes in the budget proposals and in the additional information given to the Committee often does not include the functional analysis that had led to recommendations for the reduction or retention of posts. In the view of the Committee a clear rationale should be provided in the future on reductions, together with a functional justification in support of the posts to be retained, in particular in administrative units of the missions. Post reductions in missions of long standing, such as UNFICYP and UNIFIL, also entail the need to consider termination indemnities for national staff; the Committee requested information on guidelines developed thus far.

Resident investigators and auditors

86. The Committee considered the report of the Secretary-General on the experience with resident investigators in peacekeeping operations (A/57/494), which

is submitted pursuant to the request of the Committee (A/56/887, para. 55) that the Secretary-General prepare a report on the experience so far with resident investigators, including proposals and plans for future review by the Committee in the context of budgets for peacekeeping for the period starting 1 July 2003. The Committee had discussions on the matter with the Under-Secretary-General for Internal Oversight Services.

87. The report of the Secretary-General attempts to provide such analysis and identifies pros and cons with respect to the use of mission-based investigators versus regional investigators (A/57/494, paras. 14-26). It concludes that the use of regional investigators would be the preferred option, based on considerations of geographic proximity and timeliness (ibid., para. 26). The Office of Internal Oversight Services would place regional investigators in Nairobi and either Geneva, where the Office already has a presence, or Vienna, a location that is considered by the Office to have well-established administrative support structures and which has direct air transportation to many regions of the world, including peacekeeping mission areas (ibid., para. 20). The OIOS proposes that 12 additional posts (2 P-5, 4 P-4, 4 P-3 and 2 General Service) be allocated to those regional hubs for the use of its Investigations Division, so that the Office would have the capacity to respond to the increasing caseload in peacekeeping operations (A/57/494, paras. 8 and 30). Financing would be sought in the context of the provision of the support account for peacekeeping operations for the period from July 2003 to June 2004, subject to guidance by the General Assembly (ibid., para. 35).

88. With regard to the caseload in peacekeeping operations (see A/57/494, paras. 6-10 and 27-30), the Committee notes that, in the biennium 2000-2001, the Office of Internal Oversight Services received a total of 311 peacekeeping cases — an average of 156 cases per year — and, in the period from 1 January to 30 September 2002, 180 cases; the Office estimates that by the end of 2002 approximately 216 cases will have been received in that year (ibid., para. 8). On the basis of the annual workload estimates for the period from 2000 to 2002, the Office estimates that cases involving peacekeeping matters average 176 per year; it also estimates that, as a working average, 250 person-hours are required to conduct each investigation and produce a report. Thus, to be able to handle this workload, the Office estimates that 44,000 hours of investigator time would be required (176 cases times 250 hours per investigation), requiring approximately 24 investigators (A/57/494, paras. 28 and 29). At this stage, however, the Office of Internal Oversight Services proposes the addition of 12 posts for the Investigations Division, as indicated in paragraph 87 above.

89. In view of the number of cases requiring investigation in some missions, the Committee notes that, during the last biennium, the Office of Internal Oversight Services placed mission-based (resident) investigators in UNMIK, UNTAET and MONUC, using ad hoc funding, and that, currently, mission-based investigators are located in only two missions, UNMIK and UNMISET, also funded on an ad hoc basis (A/57/494, para. 15). The Committee recalls that these two missions are implementing plans to downsize the mission operations.

90. The Committee notes that the Office is very pleased with the results of mission-based investigation, especially with the ability of the team to handle large and small matters in a more timely fashion and to provide mission management with solutions (A/57/494, para. 14). **The Committee is concerned that the**

demonstrated growth in cases in the missions, discussed in the report (ibid., para. 10), may have resulted in part from an increasing number of administrative management cases referred by mission management to investigators of the Office of Internal Oversight Services. The Committee notes the Office's observation that many peacekeeping cases routinely remain on the inactive list owing to a lack of resources necessary to conduct such investigations (ibid., para. 18). In the Committee's opinion, there is a need to refine further the methodology for determining the cases to be investigated by the Office, so that cases related to administrative management issues would be investigated and resolved by the mission management itself in an expeditious manner.

91. Subsequent to the hearings on the matter, the Committee was provided with detailed explanations on the operational effectiveness and advantages of deploying investigators in regional hubs. The Committee was informed that the proposal of the Office of Internal Oversight Services as to the location of the regional hubs has been reassessed against current caseload statistics. On the basis of this reassessment, the Office proposes Nairobi and Vienna as the suitable locations for investigator resources. Furthermore, the Office would provide the Committee with an update in the spring of 2004 as to the benefits of retaining Nairobi and Vienna as regional hubs, or recommendations as to which locations might be more suitable for the placement of investigator resources in future years.

92. The Committee was also provided with clarification on the total number of investigation posts of the Office of Internal Oversight Services, including posts in peacekeeping missions, and the breakdown of the posts by source of funding. The management of investigations conducted in peacekeeping missions is now being done from New York. Currently, the Investigations Division has 27 posts (18 posts in New York and 3 posts each in Geneva, Nairobi and the Tribunals). These posts are funded from the regular budget, the support account for peacekeeping operations and extrabudgetary resources, as shown in the table.

Posts in the Investigations Division of the Office of Internal Oversight Services

	Regular budget		*Support account*[a]		*Special funding*		*Extrabudgetary*		*Totals*	
Location	*P*	*GS*	*P*	*GS*	*P*	*GS*	*P*	*GS*	*P*	*GS*
New York	10	4	2	1	-	-	-	1	12	6
Geneva	2	1	-	-	-	-	-	-	2	1
Nairobi	2	1	-	-	-	-	-	-	2	1
Tribunals	-	-	-	-	3	-	-	-	3	-
Total	**14**	**6**	**2**	**1**	**3**	**-**	**-**	**1**	**19**	**8**

Note: P: Professional; GS: General Service.

[a] Comprises one P-5, one P-3 and one General Service post.

93. The Committee was informed that the P-5 post currently funded through the support account is responsible for all liaisons with Department of Peacekeeping Operations management at Headquarters and peacekeeping missions. The P-5 is the manager of all investigations carried out in the peacekeeping sphere, including the

investigations carried out in UNMIK and UNMISET where resident investigators are based. This includes the recruitment of investigators, case planning and direction, finalization of reports of investigations, oversight of budgeted funds for Department investigations and preparation of reports to the General Assembly. In addition, a total of four resident investigators (3 in UNMIK and 1 in UNMISET) were deployed through the redeployment of vacant posts, in the light of the significant caseloads of those missions. While the Department of Peacekeeping Operations administers these posts, the Office of Internal Oversight Services is responsible for the identification and selection of candidates and for the management of substantive issues in the exercise of its operational independence, pursuant to General Assembly resolution 48/218 B. Resident investigators do not report to mission management on substantive issues, except in cases where it is imperative that the management is made aware of significant cases. The 10 investigator posts and 2 General Service posts proposed would replace the current field-based staff as from 1 July 2003, should the Committee recommend approval of these additional resources.

94. The Committee agrees that the regional investigation approach rather than the mission-based approach would in most instances be the preferred option. **The Committee, at this stage, is not convinced, however, that all 12 additional posts are required for investigation activities in peacekeeping missions. The Committee's detailed recommendations on the request for 12 resident investigators are contained in its report on the budget for the support account for the period 2003/04 (see A/57/776, paras. 64-66).**

95. The Committee also reviewed the issue of resident auditors in peacekeeping operations in the context of its review of the report of the Board of Auditors (see also A/56/887, paras. 48-52). The Board's report (A/57/5, vol. II, chap. II, paras. 94-110) contains information on the implementation of the Board's previous recommendations on resident auditors. Of the seven recommendations contained in the Board's report for the financial period ended 30 June 2001, one recommendation was fully implemented and six were under implementation (ibid., para. 96). **The Administration's response (ibid., paras. 101 and 102) did not help the Committee to assess whether the recommendations of the Board on the capacity of the resident auditors to perform structured value-for-money and information communication technology audits were being implemented or, indeed, were implementable.**

Non-expendable equipment

96. With regard to the Board's findings and recommendations on non-expendable equipment (A/57/5, vol. II, chap. II, paras. 29-35), the Committee expresses concern about the Board's finding that there have been delays in the disposal of equipment at most missions for reasons that included heavy workloads, incorrect information or a lack of information submitted to the Local Property Survey Boards and the non-operation of the Boards (ibid., para. 33). Similarly, the Committee is concerned about the other findings of the Board on inventory management, in respect of such cases as:

(a) When procured equipment was not utilized for a number of years (UNDOF and UNTSO) and damaged property items were not reported as required by the Financial Regulations and Rules (UNDOF).

(b) When equipment procured for MONUC remained at the United Nations Logistics Base for at least a year, a situation that called into question the need for the equipment.

(c) When discrepancies identified during physical inventory checks at the United Nations Logistics Base were not followed up.

(d) When UNAMSIL did not conduct periodic physical inventories at some of its warehouses in 2002 and its Local Property Survey Board did not convene in more than a year to discharge its responsibilities.

(e) When 54 per cent of the total value of items pending write-off in UNMIK have been pending for more than six months and when UNMIK did not update the field assets control system with attractive items valued at $26,762 that had been stolen.

97. In view of the continuing problems in inventory management identified by the Board of Auditors, the information provided by the Department of Peacekeeping Operations on measures taken or to be taken to rectify the situation (A/56/5, vol. II, chap. II, para. 35; and A/57/5, vol. II, chap. II, para. 35 and annex II, table A.2) does not provide a clear picture of the progress and results achieved in the implementation of the Board's recommendations.

98. **The Committee is concerned that despite similar weaknesses in inventory management identified by the Board of Auditors in the past and except for the limited progress in reconciling closing and opening inventory balances, no progress appears to have been made in achieving efficiency in recording and accounting for inventory and in the work of the Local Property Survey Boards. The Committee stresses that problems in inventory management are exacerbated by the apparent lack of accountability, vacancy situations and rotation of staff, low priority given by missions to property inventory and by the difficult operational conditions. Without clear knowledge of their inventory, missions may very well request funds for additional purchases of assets they do not require.**

99. **The Committee stresses that the volume and value of the Organization's inventory in peacekeeping operations (there were, for example, 10,792 vehicles in the missions in December 2000) demand that greater attention be paid to proper and effective recording and accounting and to achieving efficient inventory management, including disposal of obsolete and unusable assets. The Committee expects the Administration to inform the Board of Auditors of the results achieved in the course of the implementation of the Board's recommendations on inventory management. The Committee also requests that the Board ascertain whether changes have been made to remedy the inefficiency and other weaknesses it has identified in this and previous audits.**

Communication and information technology

100. The Committee notes that the estimates for communication and information technology total $101 million for 2003/04, $68.3 million for communications and $32.7 million for information technology (see A/C.5/57/34/Rev.1). The Department of Peacekeeping Operations provides, through its Communications and Information Technology Service, the delivery of voice, email and video, high-speed data system

and network services, and applications for all peacekeeping and Department-administered operations in the field worldwide.

101. The Committee was informed of the progress in developing and implementing communication and information technology projects involving the following nine systems: (1) Field IMIS; (2) Galaxy; (3) Galileo; (4) Mercury; (5) Contingent-owned Equipment; (6) Movement Control; (7) E-STARS Suite, comprising Team Agenda, Mars, Department of Peacekeeping Operations Planner and Situation Reports Repository; (8) Department of Peacekeeping Operations-Go Portal; and (9) Funds Monitoring Tool. Information was requested on the status of these projects, but it has not been provided.

102. **The Committee commends the efforts of the Department of Peacekeeping Operations and the field missions in developing communication and information technology, as they are in concert with the Committee's observation on the need for modern information technology for the management of peacekeeping operations (see A/56/887, para. 62). As communication and information technology projects involve substantial capital expenditure, the Committee recommends that all future requirements for both new and replacement programmes be undertaken after comprehensive analysis of the functional requirements of the field missions. Moreover, a clear time frame for the completion of such projects should be indicated in the proposed budget submission and the status of implementation of tasks performed should be reflected in the performance report.**

103. The Committee was informed that as a result of the efforts of the Department of Peacekeeping Operations and field mission staff there had been an improvement in such areas as accounting for equipment in field missions, workflow and electronic transfer of reports. **The Committee acknowledges that it is too early for much of the work that was carried out in 2002 to be evaluated. The Committee points out, however, that the productivity and efficiency realized so far are not readily apparent. The Board of Auditors indicates (A/57/5, vol. II, chap. II) that on a number of subjects, including property management, write-offs and the working of Local Property Survey Boards, the full value of the Organization's investments in technology is yet to be realized in a comprehensive manner.**

104. **It appears from the information provided to the Committee on the nine information technology systems in the Department of Peacekeeping Operations that there is a lack of a comprehensive identification of needs, including a cost-benefit analysis, and the requisite architecture.**

105. **The Committee detected a potential for duplication of databases, which could complicate the work of programme managers and make it less efficient for them to prepare accurate reports promptly without having recourse to a multiplicity of difficult or inefficient interactive sources. The Committee had requested (A/56/887, para. 62) that a review be made of the many databases that had been or were being developed, with a view to ensuring that they are compatible and interactive and that they can be used with optimal effectiveness. There is no evidence that such a review has been undertaken.**

106. **The Committee recommends that the Secretariat, in the context of the budgets of peacekeeping operations for 2004/05, should evaluate the cost-benefit and the efficiency and productivity results of the information**

technology systems of the Department of Peacekeeping Operations that will have been implemented by the end of 2003 to ensure that the objectives sought have been realized and to correct any weaknesses identified. The Committee reiterates its caution (see A/56/887, para. 69) against an apparent tendency to acquire the most up-to-date communication and data-processing equipment, which may not be appropriate to the practical needs of the mission.

Air transportation

107. The report of the Board of Auditors deals with air operations (A/57/5, vol II, chap. II, paras. 81-93) and provides information on the implementation of the previous recommendations of the Board on this matter (ibid., annex II, table A.2). The Committee's comments and recommendations on air operations are set out in its previous report (A/56/887, paras. 64-68). The Committee notes that the estimates for air transportation for the period 2003/04 amount to $270.5 million (see A/C.5/57/34/Rev.1, annex).

108. The Committee also notes from the Board's report (para. 82) that the number of actual flying hours has risen from 28,000 in 1999 to 59,000 in 2001. The number of planned flying hours is not available but the Committee has consistently found overestimation under this object of expenditure. The Committee was informed that air transportation expenditures increased from $59 million in 1994 to $158 million in 2002. For the period 2003/04 provisions for air transportation are projected at $264.8 million, excluding staff costs, air service contract costs and related equipment costs (see A/C.5/57/34/Rev.1 for a breakdown of the estimates by peacekeeping operation). **In view of the sharp increase in air operation costs and the Board's findings (paras. 83 and 84 of its report), the Committee requests that the Board ascertain whether an effective and adequate capacity is in place in peacekeeping operations to plan, manage and monitor the configuration and utilization of air assets. The Committee requests the Secretariat to examine and clarify the various methods for costing block hours, together with the relative merits of commercial hiring versus letter-of-assist arrangements. Furthermore, the Committee has noted extensive variances in the missions between planned flight hours and the hours actually flown. This experience should be taken into account when contracting for air services.**

109. The Committee was informed that the Board of Auditors did not carry out a comprehensive compliance audit of air operations. **The Committee recommends that the Board, in its next audit, consider expanding its audit of air operations using, where necessary, the services of specialists in the field to be audited.**

110. As indicated of the Board's report (A/57/5, vol. II, chap. II, para. 82), the ratio of accidents to flying hours has increased from 0.71 in 1999 to 1.02 in 2001. The Committee was informed, upon enquiry, that these ratios do not take account of air incidents, although the related data is recorded and maintained in files. **The Committee requests that information on air incidents be provided in future audit reports together with information on air accidents. Furthermore, the Committee considers it important to ensure safety in air operations through, in particular, the vendors' pre-qualification exercise, technical evaluation by the Department of Peacekeeping Operations of bids for air services, and regular assessment of vendors' performance.**

111. The Committee welcomes the Board's attention to the question of air safety. The Committee considered the situation revealed by the Board to be unacceptable. Despite the information on compliance provided in the report (ibid., para. 86), the Committee is concerned about the Board's finding that, by June 2002, four recommendations on air safety, out of nine made by the Technical Cooperation Bureau of the International Civil Aviation Organization in July 2000, had not been implemented and that the remaining recommendations had been implemented only partially (ibid., para. 83). The report contains information on common shortcomings in air safety identified by the Aviation Safety Unit and the audit teams of the Board of Auditors (ibid., para. 84). The Committee has regularly agreed with requests for funding related to training, yet at the time of the audit insufficient training was provided to aviation officers (ibid., para. 84 (a)).

112. **The Committee is not satisfied with what appears to be an overly bureaucratic approach of the Transport Unit of the Department of Peacekeeping Operations to enforcing zero tolerance for alcohol, whereby the Unit at the time of audit was exploring technical and administrative procedures to ensure effective compliance with established regulations on the consumption of alcohol by aircrews (ibid., para. 84 (f)). The Committee is of the view that, given the existing stand and operating procedures, it does not appear that there is much to explore: what is required is to enforce the relevant regulations on zero tolerance for alcohol and hold those who contravene them fully accountable.**

113. **The Committee recalls its previous comments and recommendations on transportation of non-United Nations personnel and reimbursement for air support services (see A/56/887, para. 66) and it considers, therefore, unacceptable and unsatisfactory the Administration's reply that in order to monitor the activities of missions with respect to the transportation of non-mission personnel or cargo, all missions have been directed to submit monthly reports (see A/57/5, vol. II, chap. II, para. 89). The Committee is of the view that, to avoid micromanagement by the Department of Peacekeeping Operations at Headquarters, field missions should have full authority to establish mechanisms for such reimbursements after receiving appropriate guidelines from the Department.**

114. **In the view of the Committee, the apparent lack of information given to the auditors on whether the extension of contracts was always subject to the prior completion of vendor performance evaluation is a very serious matter. Indeed, with respect to the airfield services contract for MONUC, some of the findings of the Board (ibid., para. 91) appear to the Committee to put into serious question the justification to readily agree to renew the contract.**

Insurance of vehicle fleet

115. The Committee points out that the Board's findings about the discrepancies in vehicle fleet counts (see A/57/5, vol. II, chap. II, para. 113) confirm the Committee's recommendations on inventory management. **With regard to insurance of the vehicle fleet in peacekeeping operations, the Committee welcomes the Board's recommendations, in particular the recommendation to conduct a cost-benefit analysis as a basis for taking a decision on the alternative risk-financing programmes.**

Procurement and contract management

116. The Board of Auditors dealt with issues of procurement and contract management (see A/57/5, vol. II, chap. II, paras. 117-139) and identified problems relating to the issue of a code of ethics for procurement (ibid., paras. 118 and 119), inadequate training of procurement officers at the peacekeeping operations (paras. 120-122), the lack of comprehensive procurement planning by missions (paras. 123-127), excessive lead times in delivery of procured items (paras. 128-131), renewal of contracts without vendor performance evaluation reports (paras. 132-136), inadequate assessment of vendor capacity and the need for goods/services prior to registering vendors (paras. 137-139) and the lack of prioritization in respect of topics for training and the people to be trained (paras. 140-143).

117. The Committee sought clarifications from the Board with regard to the issue of a code of ethics and declaration of independence referred to in the report (paras. 118 and 119). The auditors informed the Committee that the recommendation aims at establishing a framework for proactive accountability measures to supplement and further strengthen the existing rules and guidelines concerning conflict of interest. The Committee notes that the Board made similar comments in its previous report.

118. **The Committee finds timely and essential the Board's recommendation on a code of ethics and declaration of independence by all staff members associated with the procurement cycle.** The Committee was informed of instances where staff members who had left the Organization subsequently worked with contractors whose services they had participated in procuring while they were staff members of the United Nations. The Committee refers to its observations in paragraph 114 above regarding a potential conflict of interest with respect to secretariat officials as regards the airfield services contract for MONUC.

119. The Committee was informed of the Board's intention to update the audit manual, to take account of best practices, including the issues of ethics, that have been incorporated in audit activities since the last revision of the manual seven years ago. **The Committee welcomes this intention and requests also the Board to follow up on the implementation of its recommendation on a code of ethics.** The Committee recalls in this connection that the General Assembly, in paragraph 28 of its resolution 52/226 A, requested the Secretary-General "to submit proposals on possible amendments to the Financial Regulations and Rules of the United Nations and the Staff Regulations and Rules of the United Nations in order to address issues of potential conflict of interest, such as the employment of former United Nations procurement officers by United Nations suppliers and vice versa.

120. The Committee points out that the Board's observations (ibid., para. 120) indicate that training in procurement is not given the priority it deserves. For example, the Committee was informed that of the 279 UNMIBH staff trained during the period ended 30 June 2002, only one staff member was trained in procurement activities. **The Committee trusts that the implementation of the training programme of the Procurement Division will eliminate the deficiencies in procurement identified by the Board. The Committee requests the Board to follow up on this in the context of its comprehensive audit of training programmes in the United Nations.** The auditors informed the Committee that a horizontal audit was being conducted of all training activities of the Organization. **The Committee welcomes this information.**

121. The Board has identified a number of problems in project delivery in UNMIBH (see A/57/5, vol. II, chap. II, paras. 163-171), including serious deficiencies in the procurement of patrol boats, cars and buses for the State Border Service and in the execution of a project for disabled students (para. 169). It took almost a year to sign a contract to procure the patrol boats, for instance (para. 167).

122. **As indicated in the Board's report (para. 168), it took 10 months to procure cars but after nine months their users judged them unsatisfactory. The Committee notes the intention of the Department of Peacekeeping Operations to conduct a comprehensive review of the acquisition process (see para. 171 of the Board's report) and requests the Board to follow up on the issues reflected in its report and to include the related information in its next audit report on peacekeeping operations.**

Travel

123. The Committee notes that the estimates for official travel for the period 2003/04 amount to $13.6 million (see A/C.5/57/34/Rev.1, annex). The Committee noted that in the individual peacekeeping budgets the reasons given for the increased requirements for official travel for 2003/04 were often inadequate and misleading. For example, in one mission the increased requirements are explained as resulting from planned additional travel for substantive and administrative support in relation to the consolidation of the peace process and training for the enhancement of the competencies of the staff in technology (A/57/673, para. 13). In another mission, the Committee noted that intended travel for conferences and seminars had unspecified outputs or expected accomplishments, appearing rather as contingency plans for more travel for management officials. The Committee noted from detailed information provided to it that the bulk of official travel resources are for training and management purposes. In general, the Committee noted that travel provisions relating to the mandate of the missions for political consultations and within the mission area accounted for only a small proportion of the resources requested.

124. **The Committee is of the view that it is not enough to justify travel for management and training purposes as being necessary to "increase efficiency and effectiveness". There must be a specific purpose for such travel, which would lead to a measurable result in fulfilling stated objectives. Moreover, it can be presumed that as staff members are trained they will need less supervision in the carrying out of their tasks, thus requiring less travel for this purpose by senior officials. It should also be possible to reduce travel through increased use of technology and by training trainers for some of the services of the missions, as previously recommended by the Committee (see A/56/887, para. 74). The Committee notes, for example, the designation, in the additional information provided, of some of the official travel as "familiarization" travel, or travel of officials of the Department of Peacekeeping Operations to the mission, for the purpose of familiarizing themselves with its operations. The Committee recommends that alternative methods, such as videoconferencing, be explored to achieve the same purpose.**

Bank charges

125. Bank charges reported under miscellaneous services amounted to $5.2 million for 2001/02. For the period 2003/04, bank charges amounting to $4.2 million are anticipated. **The Committee believes that these considerable resources should be carefully monitored and wherever possible agreement should be made with banking authorities to lower bank charges; furthermore, the Committee believes that for those missions being downsized the decrease in the level of operations (e.g., volume of payment transactions for salaries and allowances) should lead to lower costs for bank services.**

126. Upon enquiry, the Committee was informed that the Secretariat would develop a model banking agreement to standardize peacekeeping mission practices, with a view to negotiating lower bank charges with banking authorities where the United Nations operates a peacekeeping mission. **The Committee welcomes this development and requests that, once the model banking agreement has been developed, the lessons learned from its use be applied in all missions and offices away from Headquarters, whether they are peacekeeping missions or not.**

Training

127. The Committee notes that the estimates shown in the overview report in the amount of $6.5 million for the period 2003/04 for the training of civilian staff (A/57/723, tables 12 and 13) do not include training-related travel and provisions for training supplies and equipment. **The Committee points out that the estimates for training provided in the individual peacekeeping budgets are not clearly stated, as the costs of training-related travel and training supplies and equipment are subsumed under various miscellaneous budget lines.** The Committee was provided with information on the breakdown by mission of the total training resources requested for the period 2003/04 for the proposed civilian staff, as compared with training resources in the approved budgets for 2002/03 and expenditures in 2001/02 (see annex I to the present report).

128. The Committee noted inconsistencies in the information on training received from the Secretariat. In UNMIK, for example, the performance report indicated that 2,745 personnel were trained in 2001/02 (A/57/678, p. 11), while the additional information given to the Committee shows only 2,676 staff and other persons trained in 2001/02.

129. **From the information provided in the documents and during the hearings, the Committee believes that in some missions individual staff members may be receiving multiple training courses that may not be related to their current or future areas of responsibility in peacekeeping missions. The Committee requests that in the future accurate statistics and records of costs related to staff training be kept; furthermore, the training of personnel is an important component of the proposed budget and all resources requested for training should be indicated under one heading clearly and comprehensively in the budget, without being subsumed under other miscellaneous budget lines of the proposal.**

130. **Supplementary information submitted to the Committee in the context of performance reports should include not only the number of staff members trained and the type of training received; it should also specify whether the**

staff members are still at the mission or, if not, indicate the mission to which they have been transferred. Moreover, the Committee recalls that cost overruns, in terms of activities related to mandate implementation, need to be adequately justified from the operational point of view (see A/56/887, para. 19).

131. **The Committee reiterates its view that there is a need for better planning for training of personnel and that the subjects covered in the training programmes should be tailored towards fulfilling the mandate of missions (see A/56/887, para. 74). The Committee has noted a tendency to favour training in communication and information technology, to the apparent neglect of areas such as asset management, personnel, budget and financial matters. The Committee has commented on the concern of the Board of Auditors with regard to weaknesses in the skills of staff concerned with mission liquidation (see para. 139 below). Inconsistencies in this area would indicate poor planning and weak monitoring and difficulty in follow-up on the effectiveness of training programmes in addressing mission problems.**

132. **In its report on the budget of the support account for 2002/03 (A/56/941, para. 30), the Committee called for the Secretariat to develop a methodology and monitoring system to evaluate the results of training in peacekeeping and related areas, as well as to increase its effectiveness by making it more mission-specific, where appropriate. The outcome of that exercise was to be provided in the context of the submission of budgets for peacekeeping operations for 2003/04, but this has not been done. The Committee reiterates its request for such an exercise.**

133. **In the view of the Committee, staff who are trained should, to the extent possible, remain in the mission for which they are trained and, if transferred, should continue to perform the function for which they were trained. The Committee requests that the Board of Auditors take the views of the Committee as expressed in this and the previous paragraphs into account when performing its horizontal audits.**

Miscellaneous supplies, services and equipment

134. On the basis of the information provided to it, the Committee concludes that the expenses of a large number of items are incorrectly charged to miscellaneous supplies, services and equipment. In the opinion of the Committee, these expenses should be clearly identified and justified in the proposed estimates. The Committee sees no reason why, in some missions, items such as rations, training, travel, public information expenses, communication expenses and fuel delivery for air operations should be charged to miscellaneous expenses. Furthermore, the Committee notes that the amounts initially provided to it for consideration under this item are often subsequently corrected, indicating a lack of proper monitoring and recording of this type of expenditure.

135. **The Committee therefore requests the Secretariat to review the criteria for preparing estimates for and charging items to miscellaneous expenses, with a view to minimizing, to the extent practicable, an apparent tendency to use this item for unbudgeted expenses that should be planned, revealed and justified in the budget estimates. Furthermore, the category of expenditure "Miscellaneous supplies, services and equipment" should be for small items that do not fall within the broad budget categories of expenditure and for**

which the costs cannot be anticipated or planned in the estimates. It should not be for items that entail large expenditure.

136. In response to the Committee's concerns, as expressed above, the Committee was informed that items included under the object of expenditure "Other miscellaneous services" will be more clearly defined and attributed to other object classes such as facilities and infrastructure, as appropriate. The inclusion of rations in this category will be reviewed for the 2004/05 budget period. The nomenclature of this category will also be reviewed.

Death and disability benefits

137. The Committee notes from the Secretary-General's report (A/C.5/57/37, para. 4) that almost all claims are now processed within the 90-day timeline established by the General Assembly whenever complete information is provided by the Member State at the time of submission of the claim. The Committee also notes that there is no longer any backlog of claims (A/C.5/56/41, para. 10, and A/C.5/57/37, para. 5).

138. The actions to be taken by the General Assembly in connection with death and disability benefits are set out in the reports (A/C.5/56/41, para. 11, and A/C.5/57/37, para. 6). **For the reasons given in the preceding paragraph, the Committee recommends that, in future, information on death and disability benefits be included in the overview of the general report on peacekeeping operations.**

Liquidation of field missions

139. **The Committee concludes from the findings and observations of the Board of Auditors on the liquidation of field missions (see A/57/5, vol. II, chap. II, paras. 144-162) that numerous problems have occurred because of the lack of such skills as budgeting, finance, accounting, procurement and inventory management. The Committee stresses that staff possessing these skills in missions under liquidation should be given the opportunity to serve in other missions provided there are functions to carry out in those missions. The Committee notes that 20 international and 12 local staff of UNMIBH had been reassigned to other missions by early 2003 and that some 40 others were under consideration for other missions (ibid., para. 152).**

140. The Committee has commented in the past on the persistent weaknesses of the mission liquidation process and has indicated that the period between the end of the mandate of a mission and the date of the final performance report is long (see, e.g., A/56/887, paras. 71 and 79). **The Committee remains concerned that all the weaknesses relating to the capacity of the Secretariat to handle liquidations and other related tasks at Headquarters and in the field have not yet been fully addressed. For example, the Committee had been informed that standard operating procedures for mission liquidation would be issued before the Committee's review of peacekeeping matters in 2003, but guidelines for mission liquidation have not yet been promulgated. The Committee notes some improvements in the liquidation of UNMIBH, but it is not convinced that a roster is being maintained of personnel who are properly qualified and experienced in mission liquidation, so that the Organization could have recourse to their expertise and experience. The Committee recommends that the Secretary-General make innovative proposals on the use and retention of**

peacekeeping operation personnel in areas such as those highlighted by the Board and referred to above.

141. The Committee received clarification that the status of the local staff of UNMIBH was converted to internationally recruited staff before they were reassigned to other missions. This being the case, the Committee points out that it was the reassignment of international rather than local staff. **The Committee stresses that contractual appointments of limited duration to work for peacekeeping operations should not in any way give rise to the expectation that the United Nations is at any time under the obligation to offer career appointments to mission appointees.**

Security

142. With regard to resources for peacekeeping operations, the Committee was provided with expenditure for the period 2001/02 totalling $33.5 million and projected requirements for 2003/04 in the amount of $32.7 million (see annex II to the present report for a breakdown by mission).

Annex I

Training resources by peacekeeping component and financial period

(Thousands of United States dollars)

Class	*UNOMIG*	*UNMIK*	*UNFICYP*[a]	*UNDOF*	*UNIFIL*	*UNIKOM*	*UNMISET*[b]	*MINURSO*	*UNAMSIL*	*MONUC*[c]	*UNMEE*[d]	*UNMIBH*	*UNLB*	*Support account*[e]	*Total*
1. Expenditure for the period from 1 July 2001 to 30 June 2002															
Consultants	-	-	-	-	-	-	-	-	-	-	-	257.5	-	110.5	**368.0**
Official travel	104.1	156.1	47.4	74.8	12.9	60.6	177.0	113.0	295.9	476.6	231.3	29.3	5.8	557.8	**2 342.6**
Miscellaneous services	47.6	285.0	31.9	29.0	351.2	30.0	105.8	101.5	81.0	51.4	40.9	-	120.7	215.4	**1 491.4**
Total, line 1	**151.7**	**441.1**	**79.3**	**103.8**	**364.1**	**90.6**	**282.8**	**214.5**	**376.9**	**528.0**	**272.2**	**286.8**	**126.5**	**883.7**	**4 202.0**
Number of staff trained	45	2 676	49	166	136	33	2 679	40	63	145	69	279	155	-	**6 535**
2. Approved resources for the period from 1 July 2002 to 30 June 2003															
Consultants	-	-	-	-	-	-	-	-	-	-	-	95.0	-	519.0	**614.0**
Official travel	288.5	155.2	-	107.4	96.3	44.7	65.0	68.7	254.5	502.1	262.3	-	-	1 916.5	**3 761.2**
Information technology	-	-	-	-	-	-	-	-	-	-	-	-	-	30.0	**30.0**
Miscellaneous services	80.5	418.3	82.4	41.6	266.6	117.1	209.9	43.0	68.1	249.7	131.1	10.0	391.2	470.0	**2 579.5**
Total, line 2	**369.0**	**573.5**	**82.4**	**149.0**	**362.9**	**161.8**	**274.9**	**111.7**	**322.6**	**751.8**	**393.4**	**105.0**	**391.2**	**2 935.5**	**6 984.7**
Number of staff to be trained	145	1 331	63	105	143	26	192	19	45	94	57	161	107	-	**2 488**
3. Estimates for the period from 1 July 2003 to 30 June 2004															
Consultants	-	-	-	-	-	-	-	-	-	-	-	-	-	243.0	**243.0**
General temporary assistance	-	-	-	-	-	-	-	-	-	-	-	-	-	10.0	**10.0**
Official travel	253.9	144.9	80.5	139.8	156.4	62.0	129.5	89.0	741.8	346.6	317.0	-	8.0	2 250.5	**4 719.9**
Miscellaneous services	153.1	396.0	81.2	134.8	277.7	72.7	150.0	55.8	-	273.2	234.0	-	388.0	1 513.0	**3 729.5**
Total, line 3	**407.0**	**540.9**	**161.7**	**274.6**	**434.1**	**134.7**	**279.5**	**144.8**	**741.8**	**619.8**	**551.0**	-	**396.0**	**4 016.5**	**8 702.4**
Number of staff to be trained	191	524	116	128	371	32	159	32	120	651	307	-	216	-	**2 847**

(Footnotes on following page)

(Footnotes to table)

[a] For 2002/03, travel costs were included under miscellaneous services.

[b] For 2001/02, the number of staff included the within-mission training of staff.

[c] For the 2001/02 period, expenditures for miscellaneous services were recorded under official travel. For the 2003/04 period, the estimate for miscellaneous services has been included under official travel.

[d] For the 2003/04 period, includes 200 national staff to be trained in office automation, languages, etc.

[e] Data on the number of military personnel and civilian staff trained are not currently available. For the 2001/02 period, the expenditure on official travel was recorded under miscellaneous services and was inadvertently overlooked in the crosswalk to the new class structure.

Annex II

Summary of mission security resources by peacekeeping operation

(Thousands of United States dollars)

Class	*UNOMIG*	*UNMIK*	*UNFICYP*	*UNDOF*	*UNIFIL*	*UNIKOM*	*UNMISET*	*MINURSO*	*UNAMSIL*	*MONUC*	*UNMEE*	*UNMIBH*	*UNLB*	*Total*
1. Expenditure for the period from 1 July 2001 to 30 June 2002														
International staff	2 489.4	4 575.6	-	-	117.4	98.0	4 557.4	-	373.6	2 897.5	108.4	2 661.0	-	**17 878.3**
National staff	494.3	4 961.3	-	-	-	185.0	554.4	-	-	191.4	27.6	1 846.0	24.1	**8 284.1**
Facilities and infrastructure	129.2	116.9	68.2	20.0	14.2	15.0	81.8	-	-	-	77.2	190.1	-	**712.6**
Ground transportation	-	76.1	-	21.0	3.6	332.0	-	-	-	13.2	612.7	717.0	-	**1 775.6**
Miscellaneous supplies, services and equipment	72.8	619.7	25.2	26.0	3.0	8.0	212.5	-	168.9	2 408.2	1 200.0	74.7	20.0	**4 839.0**
Total, line 1	**3 185.7**	**10 349.6**	**93.4**	**67.0**	**138.2**	**638.0**	**5 406.1**	**-**	**542.5**	**5 510.3**	**2 025.9**	**5 488.8**	**44.1**	**33 489.6**
2. Requirements for the period from 1 July 2003 to 30 June 2004														
International staff	2 952.2	3 026.7	80.2	-	117.0	174.2	3 465.6	-	500.0	6 212.4	216.0	-	50.0	**16 744.3**
National staff	494.3	2 794.5	-	-	18.0	183.7	507.0	-	-	593.7	24.9	-	24.1	**4 616.1**
Facilities and infrastructure	131.4	2 842.7	153.5	369.0	36.0	9.0	-	-	-	585.7	51.2	-	210.0	**4 178.5**
Ground transportation	-	96.6	-	131.0	6.0	-	-	-	-	-	516.3	-	50.0	**749.9**
Miscellaneous supplies, services and equipment	72.9	3 557.2	79.0	90.0	20.7	85.0	80.6	-	240.0	952.0	1 200.0	-	-	**6 377.4**
Total, line 2	**3 650.8**	**12 317.7**	**312.7**	**590.0**	**197.7**	**451.9**	**4 053.2**	**-**	**740.0**	**8 343.8**	**2 008.4**	**-**	**334.1**	**32 666.2**